

104956



March 16, 2007

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SOUTH CAROLINA
COMMISSION

Mr. Charles Terreni
Chief Clerk & Administrator
The Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

2006.286.E/G

Dear Mr. Terreni:

Attached are copies of the Quarterly Report for South Carolina Electric & Gas Company, Electric Retail Operations and Gas Distribution Operations, for the twelve months ended December, 2006.

Sincerely,

Kenneth R. Jackson

CW

Attachments

c: John Flitter (ORS)
Jay Jashinsky (ORS)

CERTIFICATION

I, William B. Timmerman, state and attest, under penalty of perjury, that the attached Quarterly Reports of Retail Electric Operations and Gas Distribution Operations are filed on behalf of South Carolina Electric & Gas Company as required by the Public Service Commission of South Carolina; That I have reviewed said reports and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Signature of Chief Executive Officer

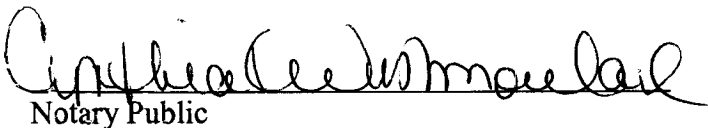
William B. Timmerman

Typed or Printed Name of Person Signing

Chairman of the Board, Chief Executive Officer
Title

3-13-07
Date Signed

Subscribed and Sworn to me on this 13th of March,
2007.


Notary Public

My Commission Expires: September 13, 2011

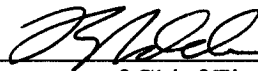
SC PUBLIC SERVICE
COMMISSION

2007 MAR 16 PM 12:10

FILED

CERTIFICATION

I, Jimmy E. Addison, state and attest, under penalty of perjury, that the attached Quarterly Reports of Retail Electric Operations and Gas Distribution Operations are filed on behalf of South Carolina Electric & Gas Company as required by the Public Service Commission of South Carolina; That I have reviewed said reports and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Signature of Chief Financial Officer

Jimmy E. Addison

Typed or Printed Name of Person Signing

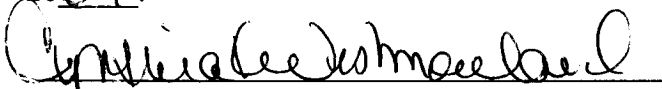
Chief Financial Officer

Title

3/12/07

Date Signed

Subscribed and Sworn to me on this 12th of March,
2007.



Notary Public

My Commission Expires: September 13, 2011

SOUTH CAROLINA ELECTRIC & GAS COMPANY
RETAIL ELECTRIC
OPERATING EXPERIENCE
TWELVE MONTHS ENDED December 31, 2006

| <u>DESCRIPTION</u> | <u>PER BOOKS ADJ. FOR REGULATORY ORDERS</u> (\$) | <u>ACCOUNTING & PRO FORMA ADJUSTMENTS</u> (\$) | <u>TOTAL AS ADJUSTED</u> (\$) |
|--------------------------------|---|---|--------------------------------------|
| | COL. A | COL. B | COL. C |
| <u>OPERATING REVENUES</u> | <u>1,810,469,745</u> | <u>(5,977,148)</u> | <u>1,804,492,596</u> |
| <u>OPERATING EXPENSES</u> | | | |
| Fuel Costs | 589,945,907 | | 589,945,907 |
| Other O&M Expenses | 430,454,353 | 5,343,849 | 435,798,203 |
| Deprec. & Amort. Expenses | 220,696,272 | 8,764,199 | 229,460,472 |
| Taxes Other Than Income | 113,597,890 | 2,956,906 | 116,554,796 |
| Income Taxes | <u>139,169,371</u> | <u>(8,686,566)</u> | <u>130,482,804</u> |
| Total Operating Expenses | 1,493,863,793 | 8,378,389 | 1,502,242,182 |
| Operating Return | 316,605,951 | (14,355,537) | 302,250,414 |
| Customer Growth | 3,297,303 | (149,506) | 3,147,797 |
| Int. on Customer Deposits | <u>(475,768)</u> | <u>-</u> | <u>(475,768)</u> |
| Total Income for Return | <u>319,427,486</u> | <u>(14,505,043)</u> | <u>304,922,443</u> |
| <u>ORIGINAL COST RATE BASE</u> | | | |
| Gross Plant in Service | 6,239,254,490 | (2,892,730) | 6,236,361,760 |
| Reserve for Deprec. | <u>2,136,345,552</u> | <u>7,207,976</u> | <u>2,143,553,528</u> |
| Net Plant | 4,102,908,938 | (10,100,706) | 4,092,808,232 |
| CWIP | 288,828,435 | (2,818,570) | 286,009,865 |
| Net Deferred/Credits | (109,514,138) | (4,572) | (109,518,709) |
| Accum. Def. Income Taxes | (570,723,258) | | (570,723,258) |
| Materials & Supplies | 212,555,351 | - | 212,555,351 |
| Working Capital | <u>4,587,814</u> | <u>-</u> | <u>4,587,814</u> |
| Total Original Cost Rate Base | <u>3,928,643,142</u> | <u>(12,923,848)</u> | <u>3,915,719,294</u> |
| RATE OF RETURN | 8.13% | | 7.79% |
| RETURN ON EQUITY | 9.64% | | 9.03% |

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
ANNUALIZED INTEREST EXPENSE**

TWELVE MONTHS ENDED December 31, 2006

| | |
|--------------------------------------|------------------------|
| RATE BASE | \$ 4,096,042,402 |
| LONG-TERM DEBT RATIO | <u>41.45%</u> |
| | |
| AVERAGE COST OF DEBT | \$ 1,697,809,576 |
| | <u>6.20%</u> |
| | |
| ANNUALIZED INTEREST | \$ 105,264,194 |
| TAX BOOK INTEREST | <u>\$ 120,978,515</u> |
| | |
| INTEREST ADJUSTMENT | <u>\$ (15,714,321)</u> |
| | |
| ADJUSTMENT TO INCOME TAXES: | |
| | |
| STATE INCOME TAX @ 5% | \$ 785,716 |
| | |
| FEDERAL INCOME TAX @ 35% | <u>\$ 5,225,012</u> |
| | |
| TOTAL INCOME TAX EFFECT | \$ 6,010,728 |
| | |
| RETAIL ELECTRIC RATE BASE PERCENTAGE | <u>95.91%</u> |
| | <u>\$ 5,764,889</u> |

SOUTH CAROLINA ELECTRIC & GAS COMPANY
PLANT IN SERVICE, CONSTRUCTION WORK IN PROGRESS, AND RESERVE FOR DEPRECIATION

AT December 31, 2006

| | TOTAL PER BOOKS ADJ. FOR REGULATORY <u>ORDERS</u> \$ | <u>RATIOS</u> % | ALLOCATED TO RETAIL \$ |
|---|---|--------------------|------------------------------|
| <u>ELECTRIC PLANT IN SERVICE</u> | | | |
| Production | \$ 3,469,355,792 | 94.41% | \$ 3,275,418,803 |
| Transmission | \$ 629,656,668 | 94.06% | \$ 592,248,765 |
| Distribution | \$ 2,003,188,004 | 99.75% | \$ 1,998,079,874 |
| General | \$ 122,549,929 | 96.04% | \$ 117,699,263 |
| Intangible | \$ 61,333,036 | 96.04% | \$ 58,905,404 |
| Common | <u>\$ 205,017,195</u> | 96.04% | <u>\$ 196,902,381</u> |
| TOTAL | <u>\$ 6,491,100,624</u> | | <u>\$ 6,239,254,490</u> |
| <u>CONSTRUCTION WORK IN PROGRESS</u> | | | |
| Production | \$ 158,407,615 | 94.41% | \$ 149,552,629 |
| Transmission | \$ 55,585,074 | 94.06% | \$ 52,282,765 |
| Distribution | \$ 53,919,084 | 99.75% | \$ 53,781,591 |
| General | \$ 7,828,657 | 96.04% | \$ 7,518,790 |
| Intangible | \$ 2,447,213 | 96.04% | \$ 2,350,349 |
| Common | <u>\$ 24,304,303</u> | 96.04% | <u>\$ 23,342,311</u> |
| TOTAL | <u>\$ 302,491,946</u> | | <u>\$ 288,828,435</u> |
| <u>RESERVE FOR DEPRECIATION</u> | | | |
| Production | \$ 1,183,797,981 | 94.41% | \$ 1,117,623,674 |
| Transmission | \$ 200,918,474 | 94.07% | \$ 189,001,999 |
| Distribution | \$ 667,143,273 | 99.75% | \$ 665,462,072 |
| General | \$ 96,910,632 | 96.04% | \$ 93,074,798 |
| Common | <u>\$ 74,116,629</u> | 96.04% | <u>\$ 71,183,008</u> |
| TOTAL | <u>\$ 2,222,886,989</u> | | <u>\$ 2,136,345,552</u> |

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
RETAIL ELECTRIC OPERATIONS**

AT December 31, 2006

| <u>NET DEFERRED DEBITS/CREDITS</u> | <u>PER BOOKS ADJ. FOR REGULATORY ORDERS</u> | <u>ACCOUNTING & PRO FORMA ADJUSTMENTS</u> | <u>TOTAL AS ADJUSTED</u> |
|--|--|--|-------------------------------------|
| Environmental | (164,742) | - | (164,742) |
| FASB 106 Rate Base Reduction | (76,798,617) | (4,572) | (76,803,189) |
| Major Maintenance Accrual | (5,309,425) | - | (5,309,425) |
| Storm Reserve | <u>(27,241,354)</u> | <u>-</u> | <u>(27,241,354)</u> |
| TOTAL | <u>(109,514,138)</u> | <u>(4,572)</u> | <u>(109,518,709)</u> |
| <u>MATERIALS & SUPPLIES</u> | | | |
| Nuclear Fuel | 31,531,475 | - | 31,531,475 |
| Fossil Fuel | 102,671,850 | - | 102,671,850 |
| Other Materials & Supplies | <u>78,352,026</u> | <u>-</u> | <u>78,352,026</u> |
| TOTAL | <u>212,555,351</u> | <u>-</u> | <u>212,555,351</u> |
| <u>WORKING CAPITAL, OTHER THAN MATERIALS & SUPPLIES</u> | | | |
| Working Cash | 104,322,784 | - | 104,322,784 |
| Prepayments | <u>6,919,233</u> | <u>-</u> | <u>6,919,233</u> |
| Total Investor Advanced Funds | 111,242,017 | - | 111,242,017 |
| Less: Customer Deposits | (25,984,142) | - | (25,984,142) |
| Average Tax Accruals | (75,274,708) | - | (75,274,708) |
| Injuries & Damages | <u>(5,395,353)</u> | <u>-</u> | <u>(5,395,353)</u> |
| TOTAL WORKING CAPITAL | <u>4,587,814</u> | <u>-</u> | <u>4,587,814</u> |

SOUTH CAROLINA ELECTRIC & GAS COMPANY
ACCOUNTING & PRO FORMA ADJUSTMENTS
TOTAL ELECTRIC
OPERATING EXPERIENCE
TWELVE MONTHS ENDED
December 31, 2006

| ADJ. # | DESCRIPTION | REVENUES | O & M EXPENSES | DEPREC. & AMORT. EXPENSE | TAXES OTHER THAN INCOME | STATE INCOME TAX @ 5% | FEDERAL INCOME TAX @ 35% | PLANT IN SERVICE | ACCUM. DEPREC. | CWIP | DEF. DEBITS/ CREDITS & PAYABLES |
|--------|--|-------------|-------------------|--------------------------------|-------------------------------|-----------------------------|--------------------------------|---------------------|-------------------|-------------|---------------------------------------|
| 1 | ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES | | | | | | | | | | |
| | A) ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES | | 1,078,497 | | 76,592 | (57,754) | (384,067) | | | | |
| | B) INCENTIVE PAY | | (876,811) | | (93,092) | 48,495 | 322,493 | | | | |
| | C) ADOPT SFAS 123-R FOR LONG-TERM AT-RISK PAY | | 4,885,686 | | 412,841 | (264,926) | (1,761,760) | | | | |
| 2 | PENSION & HEALTH CARE RELATED ADJUSTMENTS | | | | | | | | | | |
| | A) PENSION INCOME | | (1,939,633) | | | 96,982 | 644,928 | | | | (4,784) |
| | B) OTHER POST EMPLOYMENT BENEFITS | | 7,748 | | | (387) | (2,576) | | | | |
| | C) HEALTH CARE | | 882,524 | | | (44,126) | (293,439) | | | | |
| 3 | ELIMINATE EMPLOYEE CLUBS INVESTMENT & EXPENSES | | | | | | | | | | |
| 4 | ADJUST PROPERTY TAXES | | (338,100) | (690,881) | 2,684,452 | 51,449 | 342,136 | (4,716,187) | (1,080,715) | | |
| 5 | PROPERTY RETIREMENTS | | | | | (134,223) | (892,580) | | | | |
| 6 | ANNUALIZED DEPRECIATION | | | 9,756,038 | | (487,802) | (3,243,883) | | | | |
| 7 | CWIP | | | | | - | - | 2,935,013 | (1,187,741) | (2,935,013) | |
| 8 | TAX EFFECT OF ANNUALIZED INTEREST | | | | | 17,213 | 114,469 | | | | |
| 9 | NON-RECURRING REVENUE (LARGE CUSTOMER CLOSINGS) | (5,303,180) | | | | (265,159) | (1,763,307) | | | | |
| 10 | NON-RECURRING FEDERAL AGENCY FEES | | 1,883,082 | | | (94,154) | (626,125) | | | | |
| 11 | NON-RECURRING MORGAN STANLEY MARKET ADJUSTMENT FEE | (701,744) | | | | (35,087) | (233,330) | | | | |
| | TOTAL ADJUSTMENTS | (6,004,924) | 5,582,993 | 9,065,157 | 3,080,793 | (1,169,480) | (7,777,042) | (2,988,914) | 7,487,582 | (2,935,013) | (4,784) |

SOUTH CAROLINA ELECTRIC & GAS COMPANY
ACCOUNTING & PRO FORMA ADJUSTMENTS
RETAIL ELECTRIC
OPERATING EXPERIENCE
TWELVE MONTHS ENDED
December 31, 2006

| ADJ. # | DESCRIPTION | REVENUES | O & M EXPENSES | DEPREC. & AMORT. EXPENSE | TAXES OTHER THAN INCOME | STATE INCOME TAX @ 5% | FEDERAL INCOME TAX @ 35% | PLANT IN SERVICE | ACCUM. DEPREC. | CWIP | DEF. DEBITS/ CREDITS & PAYABLES |
|--------|---|--------------------------|-------------------|--------------------------------|-------------------------------|-----------------------------|--------------------------------|---------------------|-------------------|-------------|---------------------------------------|
| 1 | ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES | | | | | | | | | | |
| | A) ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES | | 1,030,515 | | 73,184 | (55,185) | (366,980) | | | | |
| | B) INCENTIVE PAY | | (837,802) | | (88,950) | 46,338 | 308,145 | | | | |
| | C) ADOPT SFAS 123-R FOR LONG-TERM AT-RISK PAY | | 4,668,322 | | 394,474 | (253,140) | (1,683,380) | | | | |
| 2 | PENSION & HEALTH CARE RELATED ADJUSTMENTS | | | | | | | | | | |
| | A) PENSION INCOME | | (1,853,339) | | | 92,667 | 616,235 | | | | (4,572) |
| | B) OTHER POST EMPLOYMENT BENEFITS | | 7,403 | | | (370) | (2,462) | | | | |
| | C) HEALTH CARE | | 843,261 | | | (42,163) | (280,384) | | | | |
| 3 | ELIMINATE EMPLOYEE CLUBS INVESTMENT & EXPENSES | | (323,058) | (663,535) | | 49,330 | 328,042 | (4,529,515) | (1,037,939) | | |
| 4 | ADJUST PROPERTY TAXES | | | | 2,578,198 | (128,910) | (857,251) | | | | |
| 5 | PROPERTY RETIREMENTS | | | | | - | - | (1,181,785) | (1,181,819) | | |
| 6 | ANNUALIZED DEPRECIATION | | | 9,427,734 | | (471,387) | (3,134,722) | | 9,427,734 | | |
| 7 | CWIP | | | | | - | - | 2,818,570 | | (2,818,570) | |
| 8 | TAX EFFECT OF ANNUALIZED INTEREST | | | | | 16,606 | 110,432 | | | | |
| 9 | NON-RECURRING REVENUE (LARGE CUSTOMER CLOSINGS) | (5,303,180) | | | | (285,159) | (1,763,307) | | | | |
| 10 | NON-RECURRING FEDERAL AGENCY FEES | | 1,808,547 | | | (90,427) | (601,342) | | | | |
| 11 | NON-RECURRING MORGAN STANLEY MARKET ADJUSTMENT FEE TOTAL ADJUSTMENTS | (673,968) (5,977,148) | 5,343,849 | 8,764,199 | 2,956,906 | (33,698) (1,135,499) | (224,094) (7,551,067) | (2,892,730) | 7,207,976 | (2,818,570) | (4,572) |

EXHIBIT B

SOUTH CAROLINA ELECTRIC & GAS COMPANY
CAPITAL STRUCTURE
AT December 31, 2006

| <u>RETAIL ELECTRIC</u> | <u>CAPITALIZATION</u> | <u>RATIO</u> | <u>EMBEDDED</u> | <u>OVERALL</u> |
|------------------------|-----------------------|---------------|-----------------|----------------|
| | \$ | % | COST/RATE | COST/RATE |
| | | | % | % |
| LONG-TERM DEBT | 1,821,488,439 | 41.45 | 6.20 | 2.57 |
| PREFERRED STOCK | 114,620,250 | 2.61 | 6.41 | 0.17 |
| COMMON EQUITY | <u>2,458,368,317</u> | <u>55.94</u> | 9.03 | <u>5.05</u> |
| TOTAL | <u>4,394,477,006</u> | <u>100.00</u> | | <u>7.79</u> |

**SOUTH CAROLINA ELECTRIC AND GAS COMPANY
EARNINGS PER SHARE**

Earnings per share are calculated based on average shares outstanding of Parent Company, SCANA Corporation and Companies, and represent South Carolina Electric & Gas Company's contribution to the Parent's overall earnings.

TWELVE MONTHS ENDED December 31, 2006

| | |
|--------------------------------------|---------------|
| NET INCOME AFTER DIV. OF PREF. STOCK | \$227,310,334 |
| EARNINGS PER SHARE | \$1.96 |
| AVG. NUMBER OF SHARES OUTSTANDING | 115,794,645 |

SOUTH CAROLINA ELECTRIC & GAS COMPANY
RATIO OF EARNINGS TO FIXED CHARGES ¹
TWELVE MONTHS ENDED December 31, 2006

| LINE NO. | | <u>\$000's</u> |
|-------------|---|----------------|
| 1 | EARNINGS | |
| 2 | Net Income | 321,829 |
| 3 | Losses from Equity Investees | 21,852 |
| 4 | Total Fixed Charges, As Below | <u>142,531</u> |
| 5 | TOTAL EARNINGS | <u>486,212</u> |
| 6 | FIXED CHARGES | |
| 7 | Interest on Long-Term Debt | 121,284 |
| 8 | Other Interest | 13,387 |
| 9 | Amort. Of Debt Prem. - Discount & Exp. (Net) | 3,622 |
| 10 | Rental Int. Portion | 4,238 |
| 11 | Distribution on Trust Preferred | <u>-</u> |
| 12 | TOTAL FIXED CHARGES | 142,531 |
| 13 | Pre-tax earnings required to pay Preference Security Dividend | <u>11,783</u> |
| 14 | Total Fixed Charges and Preference Security Dividend | <u>154,314</u> |
| 15 | RATIO OF EARNINGS TO FIXED CHARGES | 3.15 |
| 16 | ¹ - SEC COVERAGE | |

SOUTH CAROLINA ELECTRIC & GAS COMPANY
TOTAL GAS DISTRIBUTION - OPERATING EXPERIENCE
12 MONTHS ENDED
December, 2006

| <u>DESCRIPTION</u> | <u>PER BOOKS ADJ. FOR REGULATORY ORDERS</u> | <u>ACCOUNTING & PRO FORMA ADJUSTMENTS</u> | <u>TOTAL AS ADJUSTED</u> |
|--------------------------------|---|---|------------------------------|
| | <u>COL. A</u> \$ | <u>COL. B</u> \$ | <u>COL. C</u> \$ |
| <u>OPERATING REVENUES</u> | <u>507,582,129</u> | <u>15,154,216</u> | <u>522,736,345</u> |
| <u>OPERATING EXPENSES</u> | | | |
| Cost of Gas | 398,507,590 | | 398,507,590 |
| Other O&M Expenses | 53,899,682 | 554,154 | 54,453,836 |
| Deprec. & Amort. Expenses | 17,469,090 | 2,804,229 | 20,273,319 |
| Taxes Other Than Income | 12,766,341 | 1,522,759 | 14,289,100 |
| Income Taxes | 4,428,277 | 3,958,571 | 8,386,848 |
| Total Operating Expenses | 487,070,981 | 8,839,713 | 495,910,694 |
| Operating Return | 20,511,148 | 6,314,503 | 26,825,650 |
| Int. on Cust. Deposits Net | (125,397) | | (125,397) |
| Total Income For Return | <u>20,385,751</u> | <u>6,314,503</u> | <u>26,700,253</u> |
| <u>ORIGINAL COST RATE BASE</u> | | | |
| Gross Plant in Service | 629,277,594 | (328,886) | 628,948,708 |
| Reserve for Depre. | 261,630,480 | 2,314,549 | 263,945,029 |
| Net Plant | 367,647,114 | (2,643,435) | 365,003,679 |
| CWIP | 9,491,782 | (389,147) | 9,102,635 |
| Accum. Def. Income Taxes | (42,374,735) | 0 | (42,374,735) |
| Net Deferred Debits / Credits | (4,976,830) | 848 | (4,975,982) |
| Materials & Supplies | 62,521,549 | 0 | 62,521,549 |
| Working Capital | (8,661,380) | 69,269 | (8,592,111) |
| Total Original Cost Rate Base | <u>383,647,499</u> | <u>(2,962,465)</u> | <u>380,685,035</u> |
| RATE OF RETURN | 5.31% | | 7.01% |
| RETURN ON EQUITY | <u>4.60%</u> | | <u>7.64%</u> |

SOUTH CAROLINA ELECTRIC & GAS COMPANY
13 MONTHS ENDED
December, 2006

| ADJ. # | DESCRIPTION | TOTAL GAS REVENUE | O & M EXPENSES | DEPRE. & AMORT. EXPENSE | TAXES OTHER THAN INCOME | STATE INCOME TAX @ 5.0% | FEDERAL INCOME TAX @ 35% | PLANT IN SERVICE | ACCUM. DEPRE. | ACCUM. DEFERRED INCOME TAX | OWIP | OPER'S | MATERIALS & SUPPLIES | DEFERRED INCOME TAX |
|--------|---|-------------------|----------------|-------------------------|-------------------------|-------------------------|--------------------------|------------------|------------------|----------------------------|------------------|------------|----------------------|---------------------|
| 1 | ADJUST LATERAL CUSTOMER REVENUE FOR TARIFF RATES | 604,877 | | | 3,188 | 30,084 | 200,062 | | | | | | | - |
| 2 | ANNUALIZED WAGES, BENEFITS AND PAYROLL TAXES | | 250,273 | | 17,774 | (13,402) | (89,126) | | | | | | | 31,284 |
| 3 | REMOVAL OF 50% OF INCENTIVE PAY | | (147,196) | | (14,852) | 8,102 | 53,881 | | | | | | | (18,400) |
| 4 | REMOVAL OF 72.75% UNCOLLECTIBLES | | (811,896) | | | 40,595 | 269,955 | | | | | | | (101,487) |
| 5 | ANNUALIZE PENSION INCOME | | (355,124) | | | 17,756 | 118,079 | | | | | | | (44,391) |
| 6 | ANNUALIZE OTHER POST-EMPLOYEE BENEFITS | | 1,374 | | | (69) | (457) | | | | | 848 | | 172 |
| 7 | EMPLOYEE CLUBS | | (60,408) | (78,389) | | 6,940 | 46,150 | (535,106) | (122,620) | | | | | (7,551) |
| 8 | RECOGNIZE PROPERTY RETIREMENTS, DEPRECIATION RESERVES | | | | | - | - | (182,927) | (182,927) | | | | | - |
| 9 | RECOGNIZE PROPERTY ADDITIONS/RETIREMENTS, PLANT IN SERVICE | | | | | - | - | 389,147 | | | (389,147) | | | - |
| 10 | ANNUALIZED DEPRECIATION-ADJUST RESERVE | | | 1,647,506 | | (82,375) | (547,796) | | 1,647,506 | | | | | - |
| 11 | PROPERTY TAXES | | | | 1,439,974 | (71,999) | (476,791) | | | | | | | - |
| 12 | AMORTIZATION EXPENSE FOR REGULATORY ASSET - PROPANE AIR PLANT | | | 262,522 | | (13,126) | (87,288) | | | | | | | - |
| 13 | LNG ASSETS - INCREASE EXPENSE | | 1,520,635 | 972,590 | | (124,661) | (828,997) | | 972,590 | | | | | 190,079 |
| 14 | TAX EFFECT OF ANNUALIZED INTEREST | | | | | 3,807 | 25,314 | | | | | | | - |
| 15 | APPROVED REVENUE INCREASE - 2006 RSA Case | 14,378,082 | | | 75,772 | 715,115 | 4,755,518 | | | | | | | - |
| 16 | NEW INDUSTRIAL CONTRACT | 171,257 | | | 903 | 8,518 | 56,643 | | | | | | | - |
| 17 | HEALTH CARE RELATED ADJUSTMENTS | | 156,496 | | | (7,825) | (52,035) | | | | | | | 19,562 |
| | TOTAL ADJUSTMENTS | 15,164,216 | 664,164 | 2,804,229 | 1,622,769 | 617,460 | 3,441,111 | (328,886) | 2,314,649 | - | (389,147) | 848 | - | 69,269 |

**SUPPLEMENTAL
SCHEDULE
TO EXHIBIT A**

**SOUTH CAROLINA ELECTRIC AND GAS COMPANY
GAS ANNUALIZED INTEREST EXPENSE
12 MONTHS ENDED
December, 2006**

| | | |
|-----------------------------|--------------------|--------------------|
| RATE BASE | | \$383,647,499 |
| LONG-TERM DEBT RATIO | | <u>0.4145</u> |
| | | \$159,019,943 |
| AVERAGE COST OF DEBT | | <u>0.0620</u> |
| ANNUALIZED INTEREST | | \$9,859,236 |
| TAX BOOK INTEREST | | \$9,513,737 |
| INTEREST ADJUSTMENT | | <u>\$345,499</u> |
| ADJUSTMENT TO INCOME TAXES: | | |
| STATE INCOME TAX | <u>(\$17,275)</u> | |
| FEDERAL INCOME TAX | <u>(\$114,879)</u> | |
| TOTAL INCOME TAX EFFECT | | <u>(\$132,154)</u> |

**SUPPLEMENTAL
SCHEDULE
TO EXHIBIT A**

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
RATE BASE DETAIL TOTAL GAS OPERATIONS
12 MONTHS ENDED
December, 2006**

| NET DEFERRED DEBITS/CREDITS | PER BOOKS ADJ. FOR REGULATORY ORDERS | ACCOUNTING & PRO FORMA ADJUSTMENTS | TOTAL AS ADJUSTED |
|--|---|---|------------------------------|
| | \$ | \$ | \$ |
| ENVIRONMENTAL | 2,855,646 | 0 | 2,855,646 |
| PROPANE AIR PLANTS | 2,153,976 | 0 | 2,153,976 |
| FSB 106 RATE BASE REDUCTION | (9,986,452) | 848 | (9,985,604) |
| TOTAL | (4,976,830) | 848 | (4,975,982) |
| <u>MATERIALS & SUPPLIES</u> | | | |
| NATURAL GAS STORAGE | 61,909,075 | 0 | 61,909,075 |
| OTHER M&S | 612,474 | 0 | 612,474 |
| TOTAL | 62,521,549 | 0 | 62,521,549 |
| <u>WORKING CAPITAL</u> | | | |
| WORKING CASH | 6,737,460 | 69,269 | 6,806,730 |
| PREPAYMENTS | (1,380,064) | 0 | (1,380,064) |
| CUSTOMER DEPOSITS | (6,848,577) | 0 | (6,848,577) |
| AVERAGE TAX ACCRUALS | (6,416,194) | 0 | (6,416,194) |
| INJURIES & DAMAGES | (754,006) | 0 | (754,006) |
| TOTAL WORKING CAPITAL | (8,661,380) | 69,269 | (8,592,111) |

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
WEIGHTED COST OF CAPITAL**

| | AMOUNT PER BOOKS Dec-06 (COL. 1) | CAPITALIZATION RATIO (COL. 2) % | COST OF DEBT RETURN ON EQUITY (COL. 3) % | WEIGHTED COST OF CAPITAL (COL. 4) % |
|-----------------|---|--|---|---|
| LONG-TERM DEBT | 1,821,488,439 | 41.45% | 6.20% | 2.57% |
| PREFERRED STOCK | 114,620,250 | 2.61% | 6.41% | 0.17% |
| COMMON EQUITY | 2,458,368,317 | 55.94% | 7.64% | 4.27% |
| TOTAL | 4,394,477,006 | 100.00% | | 7.01% |

**SOUTH CAROLINA ELECTRIC AND GAS COMPANY
EARNINGS PER SHARE**

Earnings per share are calculated based on average shares outstanding of Parent Company, SCANA Corporation and Companies, and represent South Carolina Electric & Gas Company's contribution to the Parent's overall earnings.

TWELVE MONTHS ENDED December 31, 2006

| | |
|--------------------------------------|---------------|
| NET INCOME AFTER DIV. OF PREF. STOCK | \$227,310,334 |
| EARNINGS PER SHARE | \$1.96 |
| AVG. NUMBER OF SHARES OUTSTANDING | 115,794,645 |

SOUTH CAROLINA ELECTRIC & GAS COMPANY
RATIO OF EARNINGS TO FIXED CHARGES ¹
TWELVE MONTHS ENDED December 31, 2006

| LINE NO. | | <u>\$000's</u> |
|-------------|---|-----------------------|
| 1 | EARNINGS | |
| 2 | Net Income | 321,829 |
| 3 | Losses from Equity Investees | 21,852 |
| 4 | Total Fixed Charges, As Below | <u>142,531</u> |
| 5 | TOTAL EARNINGS | <u>486,212</u> |
| 6 | FIXED CHARGES | |
| 7 | Interest on Long-Term Debt | 121,284 |
| 8 | Other Interest | 13,387 |
| 9 | Amort. Of Debt Prem. - Discount & Exp. (Net) | 3,622 |
| 10 | Rental Int. Portion | 4,238 |
| 11 | Distribution on Trust Preferred | <u>-</u> |
| 12 | TOTAL FIXED CHARGES | 142,531 |
| 13 | Pre-tax earnings required to pay Preference Security Dividend | <u>11,783</u> |
| 14 | Total Fixed Charges and Preference Security Dividend | <u>154,314</u> |
| 15 | RATIO OF EARNINGS TO FIXED CHARGES | 3.15 |
| 16 | ¹ - SEC COVERAGE | |